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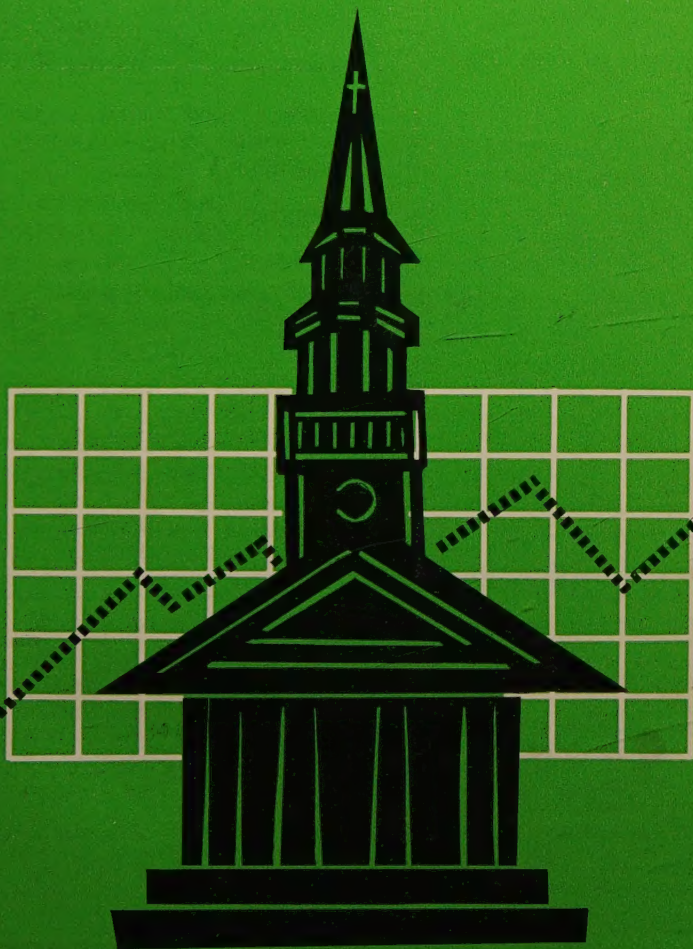
# social action

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## BUSINESS PRACTICES OF CHURCHES

# social action

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• RAY GIBBONS, *Guest Editor* • ELIZABETH HENLEY, *Assistant to the Editor*  
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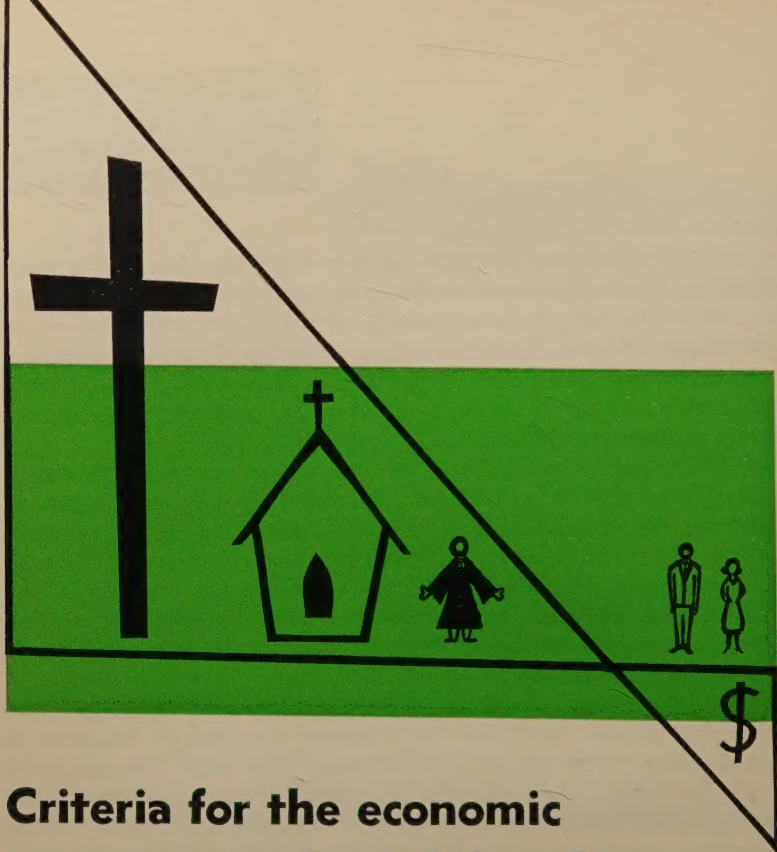


**A VERY PRACTICAL PURPOSE** is served by this issue of SOCIAL ACTION. It aims to improve the business practices of churches by reporting the facts contained in the book, *The Church as Employer, Money Raiser, and Investor*, by F. Ernest Johnson and J. Emory Ackerman. It further proposes that each church conduct a self-study of its own practices and take appropriate steps to improve them.

An adequate financial base for the church program is essential if a church is to provide necessary services and fulfill its mission. Furthermore, the economic practices of the church speak to the business practices prevalent in the community. If the church practices are bad they undercut the message of the church and belie its profession of love and justice. When the church practices are good they provide a powerful example to others, like a city set on a hill.

Who takes initiative in improving the practices in your church? Whose "business" is it to put the church business in good order? It is the business of those who read this magazine and care about their church. If another person has special responsibility for the policies in your church it is up to you to put this issue in his hands, commend it to his consideration, confer with him about what can be done, and check up to see that he is doing it.

If you are a minister do not be deterred by false modesty. It is true that the self-study proposed in this issue directly affects your salary. But it also affects the welfare of other workers in the church, people who are often more easily overlooked. It also affects the good name of your church in the community. It affects the practices of the church members in their own businesses. Such a self-study puts stewardship on the basis of justice rather than shallow sentiment. This is an issue for you, whether you are a lay member concerned about the welfare of your church or a minister concerned about the worldwide mission of the church. Let the practices of the churches declare the gospel from every spire in the land!—RAY GIBBONS



## Criteria for the economic practices of churches

**T**he Christian Church is a fellowship of people who have been called by God to a life of faith and obedience. The Church is the body of Christ—that fellowship on earth through which our Lord continues to work for the building of his kingdom and the redemption of all men and of society. Because of the nature of the Church it is called to order its life in accordance with the high ethical principles of the New Testament.

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By Walter S. Press, pastor of the El Camino Community Church (E & R), Carmichael, California; a member of the CCSA; and chairman of the Editorial Board for SOCIAL ACTION.

But the Church is also a human institution. It is composed of fallible human beings. It shares in the creatureliness of men. Its achievements are partial. Living in the world it can only approximate the high ethical goals which it holds before itself and the world. Therefore it also only imperfectly fulfills the purpose for which it exists. It needs constantly to judge and to renew its life in the light of God's will made known supremely in Jesus Christ and in the light of its knowledge of its own highest purposes and goals.

Just as is true of Christian persons, so the Church lives under tension—the tension caused by its loyalty to the divine claim upon its life. The Church also seeks to bring the world into conformity with the divine purpose. This is its prophetic function. To fulfill this function it must be doubly rigorous in judging and guiding its own life. Sincerity and integrity demand this. Furthermore the world around it hears not only what the Church has to say from its pulpits but also what it says through the manner of its own life.

F. Ernest Johnson and J. Emory Ackerman have performed a highly important service in their study<sup>1</sup> of the present economic practices of the churches. This study helps us to see the general picture more accurately. It also helps to point up the areas in which the churches have been lax and where the greatest efforts need to be made.

There is need for further and more penetrating discussion of the criteria by which the churches ought to judge and guide their economic practices. Common agreement on these criteria will be difficult to obtain but there can be a common purpose, and in pursuing that purpose large areas of agreement will be discussed.

## **SALARIES AND WAGES**

The Church needs to manifest greater care and a more orderly concern for the salaries of its ministers. In order that this may be done efficiently and effectively, the matter should be a continuing concern of the denominational leadership. In many denominations responsibility for the welfare of the professional ministry rests in the hands of a Commission on the Ministry or similar body. Of primary concern to such agencies should be the

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<sup>1</sup> *The Church as Employer, Money Raiser and Investor.*



distribution of information as to what constitutes an adequate salary and the encouragement of churches to maintain at least a minimum standard.

Few would challenge the statement that the criterion for establishing a minister's salary should be a modest but adequate level of living. A recent statistical study by the U.S. Department of Labor indicates that it takes from \$5,370 a year in Houston to \$6,567 a year in Chicago to maintain a city worker's family of four members at such a modest but adequate standard.

The average cash salary of all ministers responding in the study conducted by Johnson and Ackerman was \$4,436. Almost a quarter of the ministers in the churches with 200 to 499 members received less than \$3,600. The average is increased to \$5,827 when all forms of pastoral compensation are included. But the minister's professional expenses ought not to be included in this amount. The figure of \$1,200 would probably be a fair estimate of the average of such expenses.

Many people are confused as to what would constitute a minimum salary that would insure a modest but adequate level of living for a pastor. This uncertainty points up the need for a continuing study by a responsible denominational body so that the churches and their official boards, as well as the ministers themselves, may have the necessary information. Such figures should provide a minimum range of salary that allows for variations in the cost of living in different parts of the country. The figures should also take into account such factors as size of family and cost of a college education. In this way the Church can move in the direction of establishing greater equity in caring for its ministers.

Most denominations have already established minimum salary figures. It is important that such figures be adequate and that the Church find ways of undergirding the salaries of those serving in areas which cannot themselves support an adequate ministry. This applies especially to those who serve in rural and inner-city churches.

What applies to ministers in the matter of adequate compensation applies equally to other full-time workers in the churches. There is sometimes a tendency to discriminate against the director of Christian education or the full-time parish worker in favor of the pastor, particularly if the worker is a woman. This is an area in which the churches and ministers must have

a sharp conscience. We may assume that both ministers and other full-time workers enter Christian service with some motive of self-sacrifice. But such sacrifice must be voluntarily given; it cannot be imposed and ought not to be penalized. Besides, a spirit of sacrifice is not always shared equally by all members of the family (when families are involved) and in such cases serious problems may arise.

In the compensation of full- or part-time lay employees the churches need to come quickly to the decision to pay the prevailing wage, if they are not already doing so, and to make provision for fringe benefits comparable to those that obtain in public employment. There is no reason why the church as employer should expect to have its basic services performed more cheaply than do private citizens or public institutions. Although special considerations may apply in individual cases, this is an area in which the churches may be in danger of oppressing the helpless or of taking advantage of the already disadvantaged. Besides, the payment of adequate wages will bring abundant reward in terms of morale and of the quality of service that is rendered.

## PENSIONS

Johnson and Ackerman have given the churches an excellent criterion in the matter of pensions:

A promising approach to this problem would seem to be the setting of minimum pension standards on the basis of which a retirement income structure can be built that will rise until every claimant has acquired what the conscience of the church regards as adequate security.<sup>2</sup>

The conscience of the Church can safely be trusted. This will mean that the pension boards will govern their recommendations and their goals by current figures on the actual cost of living for retired persons. The churches need to be concerned about old-age security for their lay as well as their clerical employees. Recognition of the mutual responsibility of both employer and employee for providing old-age security recommends itself as the best approach. Such an approach favors a contributory pension plan. Special consideration should be given

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<sup>2</sup> *Op. cit.*, p. 53.



to those older persons who served before adequate pension provisions were in effect and also to the effects of inflation upon the pensions. The churches will find it necessary in the future, as in the past, to allocate funds as a standby provision to meet such emergency needs.

## **PERSONNEL POLICIES**

It is imperative that the churches be both alert and progressive in the area of personnel policies. While consideration for individuals as individuals and concern for working conditions would be expected to move on a relatively high level in churches and in church institutions, the churches need both to lead and to keep abreast of advances in the field. Churches are particularly prone to the dangers of paternalism. A thorough understanding of the reality and the power of human sin should guard against the assumption that because an employer-employee relationship exists within the context of the Christian Church it is safe from such human failing. Democracy is as necessary in the Church as it is in society and in industry. There must be opportunity for the free expression of interests and points of view to guard against partial and self-centered perspectives. Membership of employees in labor unions ought to be governed by the decisions of the employees themselves except in very special circumstances. When a union is organized and active in a particular area of work the churches should welcome participation by their employees, thus witnessing to the right of labor to bargain collectively and to share in establishing conditions of work.

Because of their concern for persons the churches will be led to give particular attention to what is happening to individuals when there is a conflict between the welfare of the individual and the efficient and effective performance of the job. Job definition is important. Areas of responsibility and authority must be clearly defined for the director of music as well as for the custodian.

## **FINANCES**

There can be little doubt that the Church can maintain its integrity and self-respect only if it rigorously applies the highest ethical standards to its methods of obtaining necessary financial support. Churches which have such vigorous life and are



so well advanced in Christian stewardship that finances never become a problem are in the decided minority. It is true that the Church is spared the pressure of making a profit or of declaring a dividend. But there are many occasions when individual churches face the future depending more on faith than on assured income. Often this is the crux of the problem in the payment of adequate salaries, both pastoral and lay, as well as in meeting the Church's benevolent and other obligations.

There can be only one criterion, however, for methods used by churches in gaining necessary financial support; and that is whether the method used promotes the prophetic and teaching functions of the Church and whether it enhances the stature of the body of Christ. All rationalizations leading to any other conclusion are eventually self-defeating.

All practices which lead to a conception of church support as a charity must be resisted. Christianity rests its case upon the belief that all life, as well as all possessions, are gifts of God and therefore a trust to be discharged as unto him. Programs which encourage Christians to lay aside regularly as an offering of thanksgiving to God a proportionate share of that which has been given to them are very necessary. But devices which endeavor to wheedle gifts from unwilling givers, or which exert covert pressure in one form or another, are simply not in accord with the true spirit of the Church.

## **INVESTMENTS**

It is at the point of investments that the Church finds itself to be very much a part of the world. In terms of long-range planning it must have reserves and these funds are usually invested to yield dividends. This is particularly true of denominational agencies. The Church must do so, furthermore, in accordance with sound business principles if it is to be worthy of its trust. This is to say that such investments need to be made with a minimum of risk and so that funds are readily available when needed. But these cannot be the only considerations.

The question is frequently raised as to why a greater proportion of the Church's accumulated funds, particularly at the denominational level, cannot be devoted to "social purpose" ends. They might be invested in new mission projects or in church building projects, for example.

This must ever remain a live possibility. Certainly the Church should believe in its own future, if others are asked to do so. Perhaps a portion of accumulated funds should be designated as "risk" capital.

A crucial question arises with respect to the nature of the enterprises in which church funds are invested by boards of investment. In an age of large corporations and interlocking business interests this matter is necessarily complex. But this does not absolve either boards or individuals of responsibility. As in other ethical decisions the Church here needs to approximate the goal as closely as possible. Insofar as possible, investment boards need to scrutinize the ethical standards and practices of the enterprises in which investments are made. For this is another area in which the Church is called humbly but faithfully to bear witness to the charge that is laid upon it.

## **Economic practices in the United Church of Christ**

**A**lthough the National Council of Churches' study of "The Church as Employer, Money Raiser, and Investor" is now nearly five years old, the data which are contained therein are significant for several reasons. For one thing, they enable us to look at our economic behavior through the eyes of an objective outside scrutiny. In addition, they enable us to examine salaries and personnel practices not only within the two constituencies of the United Church but in comparison with seven other denominations.

Recognizing that the precise figures need to be updated, let us see what the study tells us about our own fellowship in the year 1956 when the statistics were gathered.

### **PASTORS' SALARIES**

The study by Dr. F. Ernest Johnson and the Rev. Mr. J. Emory Ackerman reveals that in 1956 the average cash salary paid to



pastors was \$4,596 in the Congregational Christian and \$4,077 in the Evangelical and Reformed Churches. The median salaries were \$4,277 and \$3,863, respectively. These figures compare with the average of \$4,436 and the median of \$4,105 in the total group studied and are based upon 127 replies out of 284 questionnaires sent to Congregational Christians and 92 replies out of 192 questionnaires sent to Evangelical and Reformed pastors.



They show that the Congregational Christians ranked quite high among the denominations studied and that the Evangelical and Reformed ran below the general pattern of the total group. At the same time they bring out that there is a wide gap between the salaries paid by the smaller congregations and the average of all Congregational Christian Churches, this differential amounting to over \$1,000. In contrast Evangelical and

Reformed reports indicated this as one of the few denominations where the average stipend paid by the smaller churches was over \$3,500.

In the group from which returns were received, there was only one Evangelical and Reformed pastor who was getting less than \$3,000. If the sampling was typical in this respect, approximately 1% of Evangelical and Reformed pastors were receiving less than \$3,000 as compared with 8.45% in the Congregational Christian group.

At the other extreme of the salary range, only one Evangelical and Reformed pastor, slightly over 1% of the sampling, received a salary of \$7,500 or more as compared with eight Congregational Christians, or 5.63%.

If \$6,000 salary is taken to be the dividing line between "low" and "high" salaries, the table shows only 5.15% of the Evangelical and Reformed pastors in this upper bracket and 16.2% of the Congregational Christians.

In any event, the Congregational Christians tended to pay higher salaries than any of the other eight denominations. Evangelical and Reformed salaries were lower than Congregational Christian ones. However, the Evangelical and Reformed Church had fewer pastors in the "sub-marginal" bracket below \$3,000, whereas the Congregational Christians had more of the sub-standard salaries than the general average.

Leaving out of account the possibility that local peculiarities accounted for some of this, it still would indicate that on the whole Evangelical and Reformed Churches do not pay their pastors as well, but that Congregational Christian Churches have a much greater differential between their lowest and their highest paid ministers.

Subsequent information, supplied by the pension and annuity boards, reveals the following statistics for the year 1960.

The average cash salary upon which pension premiums were paid into the Ministers' Retirement Annuity Fund by or for Evangelical and Reformed pastors during 1960, was \$4,891. Slightly more than eleven per cent (11.26%) received \$6,000 or more in salary. These figures do not include the rental value of the parsonage (which was provided in all cases).

For 1775 pastors, members of the Congregational Christian "Expanded Plan," the average salary was \$5,479. Of these 543, or 30.59%, received \$6,000 or more in salary. Ninety-three per



cent of the entire CC group received the use of a parsonage, or parsonage allowance, in addition.

These figures would suggest that there has been roughly equivalent progress in the two groups—19.9% and 19.2%, respectively, in the course of four years. It must be remembered, however, that membership in the annuity fund, which includes virtually all E & R pastors, is not nearly so universal among CCs and may not reflect as fully the proportion of pastors in the lower income brackets.

## HOUSING, ALLOWANCES, AND PERQUISITES

This picture is not changed perceptibly when other considerations besides cash salary are taken into account. Whereas the average rental value of parsonage for the entire group of churches studied was \$998, the Congregational Christians averaged \$1,039 and the Evangelical and Reformed \$888.

The same can be said of the payment of utilities and sundry expenses. Congregational Christians paid \$336 and the Evangelical and Reformed Churches \$238, as against the general average of \$290.

In the payment of automobile allowances, both groups did better than the general run of denominations. Not only the Congregational Christian average of \$497, but also the Evangelical and Reformed average of \$488 per annum was slightly above the general average of \$478.

It was only in the payment of fees and perquisites that the Evangelical and Reformed ministers outranked not only their Congregational Christian brethren but also all the other denominations studied. They averaged \$229 as compared with \$194 for the Congregational Christians and \$187 for the entire field of eight denominations.

In one other area covered by the National Council study, both groups showed up relatively well. This was in the percentage of ministers reporting that they had personal indebtedness. Whereas the entire group of eight denominations indicated that 67.1% had some debt, the Evangelical and Reformed with 64.1% stood in a slightly more favorable position, and the Congregational Christians showed the lowest indebtedness of all with a percentage of 53.5. Within these brackets, fewer Congregational Christians reported that their debts were increasing and rough-

ly one-quarter in each case reported that their indebtedness was decreasing. The tables, of course, do not reveal whether the "good" showing of Congregational Christians was due to their greater thrift or their relative prosperity! At any rate, it is a question for serious consideration by many churches and church boards that between 40 and 50 per cent of the clergy are not able to reduce their debts. This is perhaps a better index than even the Department of Labor family budgets as to the adequacy of the salaries being paid in many of our churches.

When all factors—cash salary, value of parsonages, automobile and other allowances—are counted in, the total compensation for the Congregational Christian pastors rates third highest of the group, with \$6,023, and the total compensation of the Evangelical and Reformed clergy was eighth, with \$5,475. Only the Church of the Brethren showed a lower figure. The entire group of nine denominations showed an average of \$5,827.

Median total compensation for Congregational Christians was \$5,713; for Evangelical and Reformed, \$5,103; and for the entire group, \$5,472.

While these figures would need to be revised upward in the light of adjustments within the last five years, they still are indicative of the general relationships. Although one may assume that there has been some real improvement, it would be unwarranted optimism to conclude, at least for smaller and moderate-sized churches, that compensation for pastors is commensurate with living costs, family needs, and professional obligations.

## COMPENSATION OF OTHER EMPLOYEES

Since relatively few of the churches in a cross section of any denomination employ full-time personnel apart from the minister, any generalizations must be tentative. Thus the National Council study gave no breakdown by denominations of directors of Christian education or parish workers. The questionnaires indicated only 25 full-time sextons in Congregational Christian Churches and 13 among the Evangelical and Reformed Churches on which reports were received, along with 27 office workers (church secretaries) and 9, respectively.

*(Continued on page 15)*



# *Schedule for Self-Study by a Church*

**T**he question is frequently raised: "How can a church improve its practices with respect to the salaries it pays, the ways in which it raises and spends its money, and the ways in which it invests its funds?" This four-page schedule for a self-study is a tool designed to help a church or church body answer this question.

A number of suggestions that will prove helpful have grown out of the experiences of churches that have made such studies. Listed in their time-sequence these are:

1) The study should be authorized by the appropriate body of the church and responsibility assigned to a committee which can gather the necessary data and formulate recommendations.

2) The committee responsible for making the recommendations should secure copies of this four-page schedule for all its members. (These may be obtained from the address below.)

3) The committee should secure the data required for answering the questions on pages 2 and 3 and the questions of fact on page 4.

4) The committee should study the practices of other churches as reported in the May 1961 *SOCIAL ACTION* and the study of nine denominations as reported by Johnson and Ackerman in *The Church as Employer, Money Raiser, and Investor*.

5) In the light of the data reported and the study of the information about the practices of other churches, the committee should complete the answers on page 4 with its own recommendations for policy and draft its report to the church. In determining its recommendations the committee should consider not only what is present practice but what is necessary and desirable and the steps which need to be taken to improve the church's practices.

*Additional copies of this schedule may be obtained free of charge; and additional copies of the May 1961 issue of SOCIAL ACTION are available at 25¢ each, or ten or more copies at 20¢ each.*

**COUNCIL FOR CHRISTIAN SOCIAL ACTION**  
**United Church of Christ**

**289 Park Avenue South**  
**New York 10, New York**

**2969 West 25th Street**  
**Cleveland 13, Ohio**

# Self-Study Schedule Employment, Personnel, S

1. What is our present practice with reference to each ordained member?

Position Held	Amount of Annual Salary	Full Time	Part Time	Is Parsonage Provided?

2. What is our practice concerning other persons employed by the church?

Position Held	Amount of Annual Salary	Amount of Fees for Special Services	Approximate Number Hours Per Week

3. What is the record of giving for our congregation during the past year?

Current Expenses	Capital Funds (building)	Benevolent Apportionment	Other Benevolences



# CHRIST

## Church Congregations

### and Investment Policies

our staff (pastor, associates, ministers of Christian Education, etc.)?

Is Housing Allowance Paid? How Much?	Amount of Other Allowances	Percent of Pension Premium Paid by Church	Length of Vacation (with pay)

re workers, parish visitors, custodians, others)?

of nces	Enrolled in		Pension Premium Paid by Church (in percentage)	Length of Vacation (with pay)
	Social Security	Pension Fund		

Capita Giving urch expenses benevolences)	Sources of Total Giving (amounts)		
	Contributions of Members	Sales, Entertainment	Endowment or Investment

4. a) Are salaries of ordained staff and lay personnel reviewed annually? Yes ☐ No ☐ By whom? \_\_\_\_\_

How many increases have been given in the past ten years?\_\_ On what basis are increases made?\_\_\_\_\_

Does the church have a policy on salary increases?  
Yes ☐ No ☐

- b) How do the salaries of ordained staff and lay personnel compare with the salaries of educational and/or welfare institutions in the community?

Lower ☐ Same ☐ Higher ☐

How do salaries compare with those reported in the May 1961 issue of SOCIAL ACTION? Lower ☐ Same ☐ Higher ☐

5. Does our church have approved personnel policies covering non-ordained employees? Yes ☐ No ☐

Are employees acquainted with these practices? Yes ☐ No ☐

Do members of the congregation understand these policies covering responsibilities of employees, hours of work, vacation, etc.? Yes ☐ No ☐

What provision is there for considering requests or problems of staff? \_\_\_\_\_

6. When our church employs labor or contracts for work (building repairs, printing, etc.) of a type that is generally organized, union labor is: (a) sought ☐ (b) insisted upon ☐ (c) not given consideration ☐ (d) not available ☐ (e) no issue because union shop arrangements admit no option ☐

7. Do church letterhead and other printed matter carry union labels? Always ☐ Usually ☐ Sometimes ☐ Never ☐

8. Does our church have funds to invest? Yes ☐ No ☐

On what basis, other than security and yield, are investments made? \_\_\_\_\_

Where are such funds invested and in what percentages? \_\_\_\_\_

Do any of these enterprises raise ethical problems; if so, what are they? \_\_\_\_\_

What socially useful types of investment not presently represented might we undertake? \_\_\_\_\_

(Continued from page 14)

The following table will show the percentage distribution in these two categories.

SALARY BRACKET	PERCENTAGES IN EACH SALARY BRACKET			
	SEXTONS		OFFICE WORKERS	
	CC	E & R	CC	E & R
Under \$1,500	0.0	0.0	0.0	0.0
\$1,500- 1,999	4.0	15.38	11.11	0.0
2,000- 2,499	24.0	7.69	14.81	33.33
2,500- 2,999	20.0	53.86	33.33	33.33
3,000- 3,499	20.0	23.07	18.53	22.22
3,500 and over	32.0	0.0	22.22	11.11

Both of these types of workers are badly paid, with one-half of the total group of sextons receiving less than \$2,500 and only one-ninth \$3,500 or more. Thirty-two per cent, or nearly one-third of the Congregational Christian sextons, were in the \$3,500 bracket but none of the Evangelical and Reformed. The average remuneration of both of these groups (taking the mid-point of each salary bracket as determinative) was above the general average. On the average, Congregational Christians paid their sextons \$3,010, Evangelical and Reformed Churches \$2,666, whereas 414 such employees in the entire group of denominations averaged \$2,534. No denominational breakdown was given other than for salary, but other allowances averaged \$115 for the entire sampling. It is true that many sextons do receive a housing allowance, but this is included within the \$115 total—and the entire report deals with full-time sextons only.

Office workers came close to the general average for all nine denominations. Congregational Christian church secretaries received on the average \$2,880 and the Evangelical and Reformed \$2,605, as compared with \$2,764 for the total group. Percentage-wise, the Evangelical and Reformed data conformed to the general pattern in that one-third received under \$2,500, one-third between \$2,500 and \$2,999, and one-third \$3,000 or more. There were proportionately fewer Congregational Christian workers in the lower brackets and more in the higher ones. Johnson and Ackerman report that other types of remuneration given office workers averaged only \$7 per year for the entire group. Thus, if the income of office workers in the United Church conforms to



the general rule their total compensation is less than that of sextons, although in the over-all study the reverse was the case.

Even more than with the clergy, our churches leave much to be desired in their treatment of non-ordained employees.

## **VACATIONS AND PERSONNEL POLICIES**

According to Johnson and Ackerman, "The brightest spot found in the employment practices of the local churches was the length of the vacations given to the ministers and to lay employees as well." Even so, however, there was a good bit<sup>1</sup> of variation in the amount of vacation given ministers. In the over-all study this ran from one to ten weeks with an average of 3.41 weeks for a pastor. Again the Congregational Christians did a little better than the average and the Evangelical and Reformed not quite as well. The range of vacations for the Congregational Christian pastors was 2 to 8 weeks with an average of 4.15, whereas the Evangelical and Reformed pastors received between 2 and 4 weeks, an average of 2.92. Perhaps it should be added that the Congregational Christians' average was brought up by a few pastors (less than 5%) who received more than 6 weeks.

Sextons did not fare so well. Those serving Congregational Christian parishes ranged from no vacation to 4 weeks with an average of 2.04 weeks; those in Evangelical and Reformed congregations, from zero to 2 weeks with an average of 1.64, which was well below the general average of 2.03.

Office workers fell between the pastors and the sextons. Congregational Christian church secretaries ranged from two to four weeks with an average of 2.77; Evangelical and Reformed, one to three weeks, or an average of 2.11; whereas the total sampling ran from zero to 8 weeks with an average of 2.41.

Since most local churches are relatively small-time employers, there was no further information on personnel practices.

## **PENSIONS AND ANNUITIES**

The Annuity Fund for Congregational Christian Ministers operates on the "money purchase" plan according to which at least 6% of the salary basis (cash salary plus 15% representing the equivalent of rent-free parsonage) is paid into the fund by the member. While the churches are not compelled to con-

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<sup>1</sup> Page 66.

tribute, it is recommended that the church pay the equivalent of 11% of the minister's salary. At the time of the study on the basis of 11% payment over 40 years on a uniform salary of \$4,000, with service terminating at age 68, and a wife 3 years younger, the annuity would be approximately \$2,500 with a survivor annuity of 60% or \$1,500. This amount would be increased by dividends.

The Evangelical and Reformed Ministers' Retirement Annuity Fund is also of the money purchase type and provides for a minimum retirement at age 65 and a minimum disability benefit of \$360. In this fund also at least 8% is paid by the congregation and 3% of the salary by the minister or for him. The 3% contribution is waived if the minister enrolls under the federal social security plan but in this case the church is urged to pay the equivalent. Again the minister who enrolled in the MRAF at age 28, has a uniform salary of \$4,000, and retires at 68 when his wife is 65, would have had an annuity of approximately \$2,200 and his widow approximately \$1,320.

The above estimates would be higher as of 1961 in the light of dividend increases since the 1956 study. It should be pointed out, too, that both constituencies have supplementary relief funds for pastors and the widows of pastors who may have retired before adequate annuities were made possible.

The Congregational Christian Pension Boards operate a plan for lay employees. While denominational boards and instrumentalities (both Evangelical and Reformed and Congregational Christian) now participate in this plan, very few local churches have taken advantage of this opportunity to offer their employees some retirement benefits.

While the National Council study includes a chapter on denominational and interdenominational personnel practices, these findings have not been broken down by denominations. Perhaps the time is ripe for such a study as the United Church begins to operate as such.

Some years ago the Commission on Christian Social Action made a study of the wages, hours, and certain other working conditions in boards, agencies, and institutions related to the Evangelical and Reformed Church. As a result of this study, the General Synod of the denomination took action urging its boards and related bodies to conform to certain standards concerning minimum wages, maximum work week, and readi-

ness to engage in collective bargaining with unions of the employees' choosing. Such a study, updated for the present situation and taking account of further aspects of personnel relations, should be very helpful.

No specific details have been given, nor has any more recent study been made, as to the investment policies of the boards and funds with which the uniting denominations are concerned. It would be valuable to have such a study, bearing in mind ethical and social considerations as well as the financial ones which seemingly receive top priority.

At any rate, the findings and the questions raised by Dr. Johnson and Mr. Ackerman should engage the attention of those dealing with the Church's investment and employment practices.

### DENOMINATIONAL GIVING

Many pointed questions are raised in the chapter on "The Church as Money Raiser." Here, too, broad trends and not specific denominational practices are summarized. Thus much is said concerning the appeals which are made, both in general promotion and in fund-raising efforts, current or capital, of the denominational programs and institutions.

One may well take note, however, of the effectiveness of efforts to stimulate giving in and for the church. In the year 1957, of the nine bodies included in the survey, the Evangelical and Reformed Church stood second with a per capita giving of \$69.56 and the Congregational Christians third with \$64.87. This puts the United Church slightly above average among the 41 denominations reporting to the National Council's department of Stewardship and Benevolence. These members gave \$63.27 of which \$50.39 is for congregational expenses and \$12.88 for benevolences.

This is still far behind the per capita giving of the Pilgrim Holiness Church, reported to be \$206.85, and the Wesleyan Methodist Church, \$204.97. The comment of a Congregational Christian executive is quoted: "The record of 30 years in our denomination shows a 91% increase in giving, but a 17% increase in giving for Christian causes outside the local parish."<sup>2</sup>

Obviously, the United Church has a long way to go not only in its cultivation of stewardship but in its sense of social responsibility.

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<sup>2</sup> Page 94.



# **Toward responsible**

## **economic practices**

### **in a local church**

**E**very phase of a church's life and program expresses the conviction of the members—often conflicting convictions—as to the nature and purpose of that church. If we select for examination the economic practices of a local church—the ways in which it secures its income and uses its resources—our inquiry achieves significance only insofar as these practices represent the standards and motivations of the people involved. The following story is not a systematic appraisal of local church economics. It reports how the moderator and the minister in one congregation interpret what has been happening as the congregation and its officials have responded to various stimuli in the broad field of Christian stewardship and economic ethics.

This is a suburban church with an active membership of about 750. It is a growing congregation in a growing community. The great majority of the members are of middle or upper-middle income standing. Most of the men either are commuters to offices in Cleveland or are engaged locally in the professions or in sales. The educational backgrounds of the members and their actual or potential leadership ability are above average.

#### **ORGANIZATION AS AN AID TO MISSION**

The distribution of authority and leadership in the local church is an aspect of local church function and organization that has been largely ignored in the resource material we have

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By Max Roha, former moderator, and Vernon Holloway, minister, the Congregational Church, Brecksville, Ohio.

studied. It is our considered opinion that the total mission of the local church is best served by a constitution and structure which are decentralized so as to permit and encourage initiative and responsibility within each of the several areas of the church's life. It is a mistake to permit one board or committee (e.g., the trustees in many churches) to have a preponderant role in determining the budget and therefore the programs—especially if the members elected to this board are chosen primarily for their experience or interest in raising or conserving funds, or in caring for the church's property.

We are well satisfied with the new constitution which our local church adopted six years ago, as it provides for an organization that better serves our mission as a Christian church. As responsibility is now distributed, the trustees are given one primary task: supervision of the church's physical property. The deacons oversee the worship, pastoral ministry, and office administration. The board of Christian education plans and administers church school, youth and adult education programs. The board of missions initiates missionary education programs, and sees that the annual budget for missions is disbursed at regular intervals. This general principle applies likewise to other elected leadership groups such as those for music, social action, evangelism, finance, enlistment, and so on.

Each group is represented on a planning committee during the first half of the year, which prompts all boards to evaluate their programs and estimate their needs for the following year. This process provides the congregation in June with a tentative budget in dollars and services. If this budget is approved, it becomes the goal for the enlistment program in the fall. A Christian enlistment committee in the latter half of the year prepares and conducts the visitation of our people to secure their support.

The annual budget of the church (not only in dollars but in talents and services) is therefore a composite of the various departmental estimates and plans. Differences of opinion about amounts or proportions are settled in the church council, in which all departments are represented. The annual meeting of the congregation in January provides the final sanction for the new year's budget. One third of the membership of every board is replaced by election at the annual meeting. We feel that representation, initiative and responsibility are best served by this

type of structure. (This may not be a model for smaller churches where the number of members is insufficient for such specialization of functions.)

## HOW OUR INCOME IS OBTAINED

Aided by ideas and materials of the Congregational Christian Missions Council, we have revised our methods of securing the church's income. Until a year ago it was our custom to supplement the annual canvass with a pledge from the Women's Fellowship. To pay their pledge the women conducted a bazaar near Thanksgiving time, served occasional dinners for civic groups, and sometimes engaged in various sales projects (vanilla, hosiery, toys, candy, etc.).

Appraisal of the effectiveness of these activities led to their suspension and to the termination of the women's pledge. A few dinners are still served, but only as an accommodation to program groups within the church. Now the women have greater freedom to concentrate on interest groups (Bible study, current books, world affairs) and service projects.

With the exception of loose offerings and some minor rental income, the annual budget of the church is provided entirely by pledged contributions. In 1960 the active membership of about 740 approved a budget of \$50,700 for 1961. This includes the amount of \$11,600 for denominational and other Christian agencies beyond our local church.

Aided by the Christian Enlistment material, which our church officers have adapted to our local situation, we are achieving a greater participation of church members in budget and program planning, in decisions about the nature and mission of the Church, and in preparation and conduct of the parish visitation in the fall.

We are therefore indebted to stimuli and help received from denominational leaders and agencies. In several meetings of the congregation in the past three years, the agenda has included discussion of the basic mission of the Church. The *Program and Budgets Builder* booklet of the United Church of Christ, with its standards and checklists for program analysis by all groups within the church, is a tested instrument for annual use. Visits by staff members of our state conference have been very helpful. The standards and insights of the Johnson-Ackerman volume



play an important part in the series of new materials which have contributed to the perspective which we need.

### HOW OUR MONEY IS USED<sup>1</sup>

Our major expenditures, aside from missions and the related work of our denominational agencies, are for the salaries of our staff, which includes two full-time professional persons, part-time secretaries, organist, choir director, and custodians.

It has been easy for us to continue in the pattern of the past and pay our professional staff salaries which the majority of our members would find inadequate. "Meeting the competition" (with other churches as employers) has kept the incomes of our minister and minister of Christian education above the deplorable average reported by Johnson and Ackerman. This item of salaries, which represents the largest single expenditure of our church, has received the least attention as a subject for systematic study of our Christian responsibility.

We have not seriously considered the question of salary in relation to the income standards of our community. We have not studied the justice or injustice, the advantage or handicap for our ministers in providing parsonages rather than rental allowances. The problems presented in *The Church as Employer, Money Raiser, and Investor* must now be analyzed in our own situation.

The salaries or wages of our lay staff are in much the same state of insufficient study. We have, however, tried to give special consideration to one problem which is rather typical for many of our churches. We have on our staff an older lay person who has served the church for years as a part-time custodian. In the face of the increasing demands of a growing church, it is difficult for him to cope with the needs of the situation. Provision has been made for an increase in pay and for additional part-time help. But we are left with the fact that this employee has never qualified for social security, is too old to do so now, and was never paid enough to accumulate savings to supplement the part-time earnings of his later years.

Our attempt to analyze this situation in a Christian context has shown that our church must approach it with awareness of

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<sup>1</sup> This entire section (and the latter half of the article) was written by Dr. Roha.

more than the mere business facts of money paid for services rendered. We must recognize the man's value beyond this wages-and-hours approach, and consider such factors as his availability on short notice at off hours. These points—service, availability and need—would argue for his steady employment at an adequate salary. We must also keep alert to the need for additional part-time help so that we do not overload this man with our increasing demands.

We have four other employees, paid to serve on a part-time basis. In the process of reviewing their wages or salaries, we have become aware that we have tended to ignore the amount of time contributed and the responsibility carried by church members who are not employed by the church but elected to serve in particular offices. The work performed by our treasurer and by our financial secretary has recently been analyzed. Should not these persons be paid, in view of the responsibilities and hours required of them? This question has been explored only tentatively because the two present office-holders want their effort to be considered as part of their contribution to the total church mission. We question whether this is a fair arrangement. Perhaps the officials who carry the heaviest responsibilities—e.g., the persons mentioned above and our church school superintendent—should be paid as are the secretaries, organist, choir director, and custodians. If they desire to return part or all of their remuneration as a gift to the church, this would be a matter between themselves and God when they make their annual pledges of church support.

### **WIDE RESPONSIBILITIES**

The support of our Christian World Mission is another major item. The percentage of our budget which should go to others has received intensive study by our board of missions and our congregation. This issue will continue to present difficult questions. How much of our income should we spend upon ourselves? Can we justify having two professional staff members when there are many people who have no minister? What should be our church's "standard of living" when many people in the world are barely able to survive?

We feel we must continue to search for responsible decisions in this area. We need to be a church with facilities and staff which can attract and serve people, helping them to become

servants of God. We need also to be a church which responds to the cry for help from people and churches in need around the world. At present we have arrived at the uncomfortable compromise of giving 23 per cent of our total budget to missions and related forms of wider Christian service.

Many other areas of church expenditure have been, and need to be, considered in the same light. They, too, present perplexing questions. What should be done in those situations where expenditures are not strictly required or even expected but where our Christian principles indicate a need for positive action?

As illustrations of these marginal areas that require further study, consider the situations described below:

1. Our church is located in the business area of our city and has relatively little off-street parking space. By arrangement with nearby merchants our space is pooled with theirs to meet their needs during the week and ours in the evenings and on Sundays. In spite of this, the space is insufficient. Our church fails to meet the minimum requirements set forth in the local zoning regulations.

Our long-range planning committee has concerned itself with this problem, and has recommended that land be acquired to correct this situation as well as to provide for eventual building expansion. In view of our arrangement with the merchants, we might save money by asking for release from the municipal off-street parking requirement. But would this be fair to the community in the long run? No decision has been made.

2. Even less clear-cut is the question of our responsibility to assist the finances of our municipal government. As a church we are relieved of any responsibility for tax payment to the city, state, and county governments. Yet we expect and receive police and fire protection. We want the street in front of our property to be cared for. We are provided with trash and snow removal at no cost. This arrangement is legal, but is it moral? Should our church make a voluntary contribution to our governmental bodies for these services, in lieu of taxes? This topic has received only exploratory discussion in one or two of our church committees.

## **OUR RESPONSIBILITY EXTENDS TO OUR CRITICS**

What is our responsibility to critics of the church's program? We usually hear from them at enlistment time, when pledges



are sought for the projected budget and programs of the coming year. Our visitors to homes in the parish are instructed to record and report criticisms. Last November there were at least three persons or families who indicated that they were reducing or stopping their financial support because they disapproved of one or more items in the total program.

Almost without exception such criticisms are directed toward the church's ministry in the area of citizenship and social action. Specific objections have been made to the minister's sermon on Race Relations Sunday, to publicity on behalf of a fair housing covenant, to the church's cooperation with the Inner-City Protestant Parish in arranging for Negro children to visit in the homes of local host families, and to the encouragement of Protestant self-criticism in the sphere of Catholic-Protestant relationships.

The minister and the moderator have accepted it as their duty to call upon the critics and to explain the religious and moral context which requires attention to controversial questions. We affirm the right of persons to criticize. We also affirm our right and accept it as our duty to express our convictions about Christian faith and the obligations of the Church as a witnessing community.

We must assume that there are even more silent critics and indifferent members. We can only hope that the fellowship and the educational programs of the church will become the instruments by which the Holy Spirit deepens and widens their vision.

### **CONTINUED SELF-APPRAISAL IS NEEDED**

Many questions remain unanswered as to the ways in which we in our church should obtain, hold, and expend our income. We feel that some good beginnings have been made toward the answers that we need, but we are not satisfied to remain where we are. The Johnson-Ackerman volume offers significant help in the continuing task of self-appraisal, and this issue of SOCIAL ACTION supplies important assistance for its use.

We need to ask as a fundamental question: What is a Christian understanding of money? Then we can find more adequate answers to the questions: How—when—where—why—does a Christian church—obtain—hold—and expend money?



Sacrificial service is, of course, taken for granted as an aspect of the Christian way of life. But a good question for a congregation to ponder is this: To what extent does the compensation provided for the minister occasion sacrifices by his family that are *imposed* rather than voluntarily assumed?

—*The Church as Employer*,  
p. 123

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The church which uses a too literal interpretation of the biblical emphasis on spiritual values above material values to justify substandard wages for its employees misses the Bible's deeper meaning which Paul says "the letter killeth." The Bible teaches that man is responsible to God in all areas of his life: personal, family, financial, employer-employee relationships, social and political involvements. He is accountable to God for loving his employee as himself and for holding his employee's welfare as high as his own. The church is as accountable to God for her fund-raising methods, financial policies, wages and working conditions

and security benefits as she is for her faithfulness in worship or in evangelism.—J.K.

### Scripture readings

*Micah 6:8*: . . . "do justly, love kindness, walk humbly" . . .

*Matthew 20:1-16*: Laborers in the vineyard.

In this parable the employer rises from the level of justice to the higher plan, of human fellow-feeling. These eleventh hour men had been ready to work; they had to eat and live; he proposed to give them a living wage because he felt an inner prompting to do so. In the parable of the Prodigal Son the father does more for his son than justice required, because he was a father. Here the employer does more because he is a man. Each acted from a sense of the worth of the human life with which he was dealing.

—WALTER RAUSCHENBUSCH,

*Social Principles of Jesus*

*Luke 10:29-37*: "Go and do likewise."

The religion of Jesus is the religion of incarnation. It is the good news that in this world man with all his limitations may realize God-consciousness. It calls us to purify and to make rational by conscious acts of redemptive love all economic ac-

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Prepared by Julian J. Keiser, Minister of Social Action, Congregational Conference of Southern California and the Southwest.

tivities which have heretofore been relegated to the sphere of undeveloped instinct. Thus, we shall endeavor to fulfill the ideal of God even in our economic life.

—TOYOHICO KAGAWA,

*Brotherhood Economics*

*Luke 10:7*: . . . "the laborer is worthy of his hire."

*I Cor. 9:3-14*: . . . "those who proclaim the gospel should get their living by the gospel."

A major finding of the study is that to a disturbing extent the churches and their various agencies take less seriously their corporate responsibilities than their official pronouncements on social and economic problems give the community a right to expect.

—*The Church as Employer*,  
p. 122

### Prayer litany

We beseech thee to hear us that thou wilt deliver thy Holy Church Universal from the worship of mammon, from bondage to the world, and from all complicity in social evil and silence at wrong;

*We beseech thee to hear us,  
Good Lord.*

That thou wilt give repentance to those who are careless of the conditions under which others live, unconcerned at the injustices of our social order and who, while they live delicately, condemn the poor and forget God;

*We beseech thee to hear us,  
Good Lord.*

That thou wilt bring near the day when labor shall be re-deemed from the curse; men shall toil, not for their own gain, but for the common good; all commerce shall be pure, all labor prayer, all work worship, and men shall rejoice in the things that their hands have made;

*We beseech thee to hear us,  
Good Lord.*

That thou wilt hasten the coming of thy kingdom and its righteousness; O God we have heard with our ears, and our fathers have declared unto us, the noble works that thou didst in their days, and in the old time before them.

—WILLIAM E. ORCHARD (adapted),  
*Order of Divine Service for  
Public Worship*

### Prayer: Deliver us from evil

Deliver us from contentment before the evils of the world. Create in us the will to labor with thee for a new earth in which there shall no longer be poverty, hunger, ignorance, and fear; no longer the crushing of men's bodies and souls through the greed and malice of other men; not again the devastation of thy fair earth by the curse of war. Forgive in thy mercy the sins of a society that has forgotten thee and now must walk through the valley of the shadow of death.

Send forth thy light and thy truth: let them lead us. *Amen.*

—GEORGIA HARKNESS,  
*The Glory of God*



## *social action calendar*



- JUNE 19-23** Christian Social Action Institute, White Memorial Retreat Center, Mill Valley, Calif.
- JUNE 19-23** Christian Social Action Institute, Blue Ridge Assembly of the YMCA, Black Mountain, N. C.
- JUNE 19-JULY 1** Eighteenth Annual Race Relations Institute, Fisk University, Nashville, Tenn. Director, Dr. Herman H. Long.
- JUNE 20-AUGUST 9** Africa Study Tour, forty-nine days in eleven countries. Leaders: Rev. and Mrs. Herman F. Reissig.
- JULY 10-14** Christian Social Action Institute, Lakeland College, Sheboygan, Wisc.
- JULY 24-28** Christian Social Action Institute, Massachusetts Congregational Conference Center, Framingham, Mass.
- JULY 24-AUGUST 13** Caribbean Study Tour. Leader: Rev. F. Nelsen Schlegel.
- AUGUST 12-15** Christian Social Action Youth Institute, Defiance College, Defiance, Ohio
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